

July 24, 2024

The Honorable Rick Crawford Chairman Committee on Transportation and Infrastructure Subcommittee on Highways and Transit U.S. House of Representatives Washington, DC 20515 The Honorable Eleanor Holmes Norton Ranking Member Committee on Transportation and Infrastructure Subcommittee on Highways and Transit U.S. House of Representatives Washington, DC 20515

Dear Chairman Crawford, Ranking Member Holmes Norton and Members of the U.S. House Committee on Transportation and Infrastructure's Subcommittee on Highways and Transit:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 67 chapters representing more than 23,000 members, I write to thank you for holding a hearing on "Examining the Department of Transportation's Regulatory and Administrative Agenda." This hearing is vital to ensuring the U.S. Department of Transportation conforms with congressional intent. It also provides the U.S. House of Representatives the opportunity to evaluate DOT's policies and priorities, which have a significant impact on infrastructure projects nationwide.

Since Pete Buttigieg became secretary of transportation in January 2021, he has played a significant role in promoting the Biden-Harris administration's sweeping environmental and labor initiatives rather than prioritizing efficient and economical infrastructure improvements. Specifically, through notice of funding opportunities and regulations, Secretary Buttigieg has implemented policies that discriminate against businesses and workers in favor of special interests. Rather than welcome all American businesses and workers to participate on infrastructure projects, the DOT stripped the ability of many small businesses to compete fairly for projects.

ABC is extremely concerned with the trajectory of Secretary Buttigieg's DOT. Most critical for ABC and our members are the determinantal rulemakings that the DOT advanced along with the stipulations its has placed on taxpayer-funded infrastructure projects highlighted below:

- National Electric Vehicle Infrastructure Standards and Requirements: On Feb. 28, 2023, the DOT's Federal Highway Administration released a final rule that establishes the National Electric Vehicle Infrastructure Formula Program. This rule implements provisions of the Infrastructure Investment and Jobs Act, signed into law in 2021, which include \$7.5 billion for electric vehicle charging stations (including \$5 billion over five years to install EV chargers mostly along interstate highways). The intent of the program is to support the installation of 500,000 electric vehicle chargers across the country by 2030 as part of a domestic push to shift away from gas-powered vehicles. As part of the rule, DOT requires all electricians working on electric vehicle supply equipment either be certified by the International Brotherhood of Electrical Workers' Electric Vehicle Industry Training Program or be a graduate or recipient of a continuing education certificate from a government-registered apprenticeship program with a focus on EVSE installation approved by the U.S. Department of Labor in consultation with the DOT. This discriminatory rulemaking disregards ABC's comments on the proposed rule, which expressed concern the rule would prohibit qualified contractors from building EV chargers and bottleneck workforce development. As of July 23, reports indicate that only seven of 500,000 electric vehicle charging stations have been constructed with the \$7.5 billion in federal investment available through the FHWA's National Electric Vehicle Infrastructure Formula Program.
- Rebuilding American Infrastructure with Sustainability and Equity Grant Program: The RAISE Grant Program provides federal assistance to state and local government entities for the purpose of major surface transportation infrastructure projects. At least \$2.275 billion in funding appropriated by the Infrastructure Investment and Jobs Act and other funding sources is available. Unfortunately, the DOT attempted to steer these funds toward applicants that require project labor agreements on their projects

by including specific language in the notice of funding opportunity indicating that PLAs will increase applicants' scores for "partnership and collaboration," improving their chance of receiving RAISE funds. ABC has consistently and vigorously opposed government-mandated PLAs and PLA preferences on federal government and federally assisted construction projects, as well as state and local government infrastructure projects. PLAs needlessly increase costs, chill competition and steer hundreds of billions of dollars' worth of construction projects funded by taxpayers to well-connected special interests, i.e., construction unions and contractors signatory to specific construction unions party to a PLA.

Additional Grant Opportunities: Despite the negative impact of language and policies promoting PLA mandates and preferences, ABC has identified a significant number of federal agency grants issued by the Biden-Harris administration similar to the RAISE Program—totaling more than \$270 billion for infrastructure projects procured by state and local governments. These preferences and mandates will increase costs and reduce competition on federally assisted construction projects. Specific to the DOT, ABC has identified 25 federal grant opportunities since 2022, totaling more than \$51 billion, that include project labor agreement preferences. These DOT preferences provide grant applicants preferable treatment, by increasing the score regarding economic competitiveness and partnership. In addition, others clearly state that projects with PLAs will be prioritized. The misquided pro-PLA objectives advanced by Secretary Buttigleg's DOT are wide reaching and extend to the following: RAISE Grants NOFO, Bus/Bus Facilities NOFO, Combined NOFO, Small Shipyard Grants NOFO, Carbon Reduction Program Guidance, Safe Streets and Roads for All NOFO, Natural Gas Distribution Infrastructure Safety and Modernization Grant NOFO, Bridge Investment Program NOFO, Port Infrastructure Development Program Grants NOFO, RAISE NOFO, All Stations Accessibility Program NOFO, Ferry Programs Combined NOFO, Reconnecting Communities Pilot Program NOFO, Wildlife Crossings Pilot Program. Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Program, Combined NOFO FY2023-2024, Department of Transportation Bridge Investment Program, Large Bridge Project Grants and the Department of Transportation RAISE Grants FY 2024 NOFO.

The DOT policies under the Biden-Harris administration prevent some of the best and most experienced federal contractors from pursuing federal construction contracts funded by taxpayers for no other reason than because these large and small businesses are not willing and able to sign a union agreement. By mandating PLAs, the Biden-Harris administration is steering work toward its special interests, which comprise 10% of the industry, at the expense of taxpayers and free enterprise.

To prevent the DOT from including pro-PLA language within its discretionary grant programs, ABC urges you to co-sponsor <u>H.R.1209</u>, the Fair and Open Competition Act, to ensure federal and federally assisted contract awards occur through a fair and competitive bidding process that allows all qualified contractors to compete on a level playing field based on merit, experience, quality and safety to deliver the highest-quality projects at the best cost.

ABC appreciates the opportunity to comment on the committee's vital oversight of the DOT. It is essential the committee encourages the DOT to prioritize our nation's infrastructure over radical policy initiatives.

ABC members stand ready to build America's infrastructure in the 21st century.

Sincerely,

Kristen Swearingen

Vice President, Legislative & Political Affairs